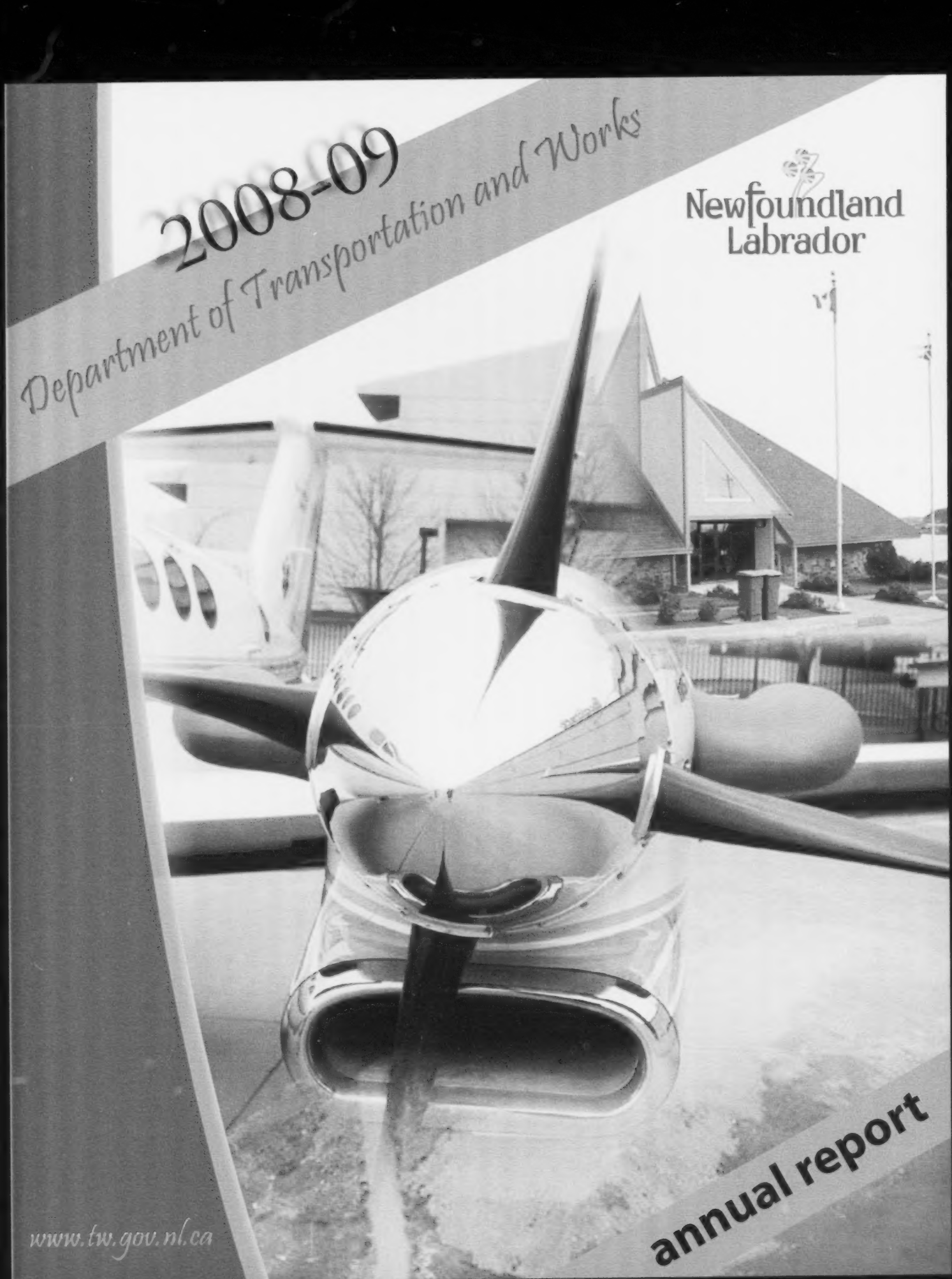
2008-09

Department of Transportation and Works

Newfoundland Labrador



annual report

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Credits

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Message from the Minister

In accordance with Government's commitment to transparency and accountability, I am pleased to submit the 2008-09 Annual Report for the Department of Transportation and Works. This report provides an overview of departmental activities and key accomplishments during the 2008-09 fiscal year. As Minister responsible, I am accountable for the preparation of this report and the results contained herein.

As part of its mandate, the Department provides a safe and efficient transportation system, landlord services for all government departments and support services such as leasing and air services. A detailed description of the Department's mandate is available in the Department of Transportation and Works 2008-11 Strategic Plan.

The Department of Transportation and Works had yet another record-breaking year for our provincial roads. This past year alone, expenditures for road and bridge construction and maintenance exceeded $280 million. Included in this investment was $73 million for the Provincial Roads Improvement Program, a 10 percent increase over last year and a key element of the Provincial Government's six-year infrastructure strategy. In its third year, the strategy is worth over $3 billion and is expected to generate an average of 6,500 person years of employment each year.

2008-09 was also a successful year for work on the Trans Labrador Highway. After covering the total cost of road projects last summer without any federal assistance, the Province was successful in securing a $45 million cost-share agreement with the Federal Government for widening and hard surfacing Phase I of the Trans Labrador Highway. The Province also invested an additional $17 million for the construction of approximately 50 kilometres of Phase III of the highway. I am pleased to say that we will complete Phase III of the Trans Labrador Highway in late 2009.

The Department of Transportation and Works also dedicated 2008-09 to road safety. The Department launched a new 24-hour snow clearing pilot project as well as continued the "Snow means Slow" campaign to promote road safety in winter driving conditions. As well, the Department made a commitment that all new snowplows be equipped with life-saving side guards to protect pedestrian safety when operating our snow plows.

Finally, I would like to take this opportunity to thank the employees of the Department for their continued hard work and dedication. I look forward to working with them as we move forward in reaching new heights and in achieving our goals and objectives for 2009-10.

Sincerely,

Dianne Whalen

Dianne Whalen, MHA
Acting Minister of Transportation and Works

Departmental Overview

Vision

The vision of the Department of Transportation and Works is of a sustainable public works and transportation infrastructure that meets the economic and social needs of the province.

Mission

Transportation and Works will have improved the transportation and public works infrastructure and services to meet the economic and social requirements of Newfoundland and Labrador by 2011.

Mandate

The mandate of the Department of Transportation and Works is derived from the *Executive Council Act* and includes responsibly for the administration, supervision, control, regulation, management and direction of all matters relating to transportation and public works, including:

- Design, construction, improvement, repair and maintenance of highways, local roads, airstrips, ferry landings and related facilities;
- Acquisition, use, maintenance and operation of ferries under ownership, charter or administration;
- Acquisition, use, maintenance and operation of provincial air ambulance, water bomber and other aircraft and services under ownership, charter or administration;
- Property that belongs to or is held or occupied by the Crown, and the works and properties acquired, constructed, extended, enlarged, repaired or improved at the expense of the province, or for the acquisition, construction, extension, enlargement, repair or improvement of which public funds are voted and appropriated by the Legislature, other than property and works assigned to another minister or department of the government of the province;
- Property management including the design, construction, repair, maintenance, heating, lighting, cleaning, phone, mail and security of buildings that belong to or are held or occupied by the Crown and grounds that belong to those buildings;
- The leasing of real property by the Crown and related activities;
- The disposition of surplus real property; and,
- The administration of Acts under the responsibility of the Department and of all orders and regulations passed or made under those Acts, including those powers, functions or duties necessary or desirable for carrying out the purpose of those Acts.

Lines of Business

In delivering its mandate, the Department of Transportation and Works provides the following lines of business:

Transportation

Provision and/or management of transportation infrastructure and services for the province, including:

- Provincial roads;
- Provincial marine passenger, vehicle and freight services;
- Provincial airstrips; and
- Provincial air ambulance and water bomber services.

Public Works

Provision and/or management of:

- Facility/building infrastructure for Government and select agencies;
- Building security; and
- Government phone and mail services.

The primary clients of the Department of Transportation and Works include all provincial government departments and their related boards and agencies, municipal governments, road users, provincial ferry users, shippers, carriers and transport workers, and consultants.

Long Term Care Centre
Corner Brook

Gallipoli

Organization and Staffing

The Department of Transportation and Works is divided into four branches: Transportation, Marine Transportation Services, Works, and Strategic and Corporate Services.

Summary of Organization

Transportation

Provision and maintenance of a provincial road transportation system that includes:

- Summer and winter maintenance (snowclearing and ice control) on over 9,000 kilometres of primary and secondary highways and community access roads;
- Construction of new roads and management of road improvement projects with expenditures of $175.2 million for 2008-09;
- Management of government's fleet of over 2,700 vehicles including light vehicles, heavy equipment and utility vehicles (such as snowmobiles, all terrain vehicles, etc.);
- Provision of up to date images of driving conditions from 12 camera locations throughout the province (www.roads.gov.nl.ca/cameras/default.stm);
- Provision of environmental services for provincial roads projects; and,
- Operation and maintenance of government's fleet of eight aircraft for air ambulance and water bombing services.

Marine Transportation Services

Provision, maintenance and management of 16 provincial ferry services for marine operations throughout the province, including:

- Eight government-owned and operated vessels, two government-owned and privately operated (through a contract with the provincial government) vessels, and eight privately-owned contracted vessels serving approximately 30,000 residents;
- Operations accounting for $80.8 million for 2008-09 (accounting for approximately 760,000 passengers, 370,000 vehicles, and 21,600 tons of freight moved in 2007-08);
- Provision for fleet modernization through government's vessel replacement plan;
- Provision for vessel modification and refits of government-owned vessels through a comprehensive vessel maintenance management program; and,
- Operation of government-owned vessels with a complement of approximately 250 marine staff.
- *Note: The Department of Transportation and Works is not responsible for the Gulf Ferry Service. Responsibility for this service resides with the Government of Canada through Marine Atlantic Inc. (www.marineatlantic.ca).*

Works

- Management and maintenance of approximately 617,000 square metres of floor space at nearly 380 sites across the province;
- Construction of new buildings and management of other capital projects for government departments and government-funded bodies with expenditures of $84.1 million during 2008-09 and a total multi-year construction value of over $1 billion;
- Provision of space for government departments in government-owned buildings and leased accommodations;
- Acquisition of land on behalf of government departments and agencies for various projects and public works;
- Provision of environmental services for government buildings;
- Provision of centralized mail and messenger services for government, which includes the processing and delivery of over 7.5 million pieces of correspondence; and,
- Provision of telecommunications services to all government departments.

Strategic and Corportate Services

- Provision of financial services for the Department;
- Provision of strategic human resources services for the Department; and,
- Provision of policy and planning services for the Department.

Our Valued Employees

The provincial headquarters at the Confederation Complex is responsible for policy and planning, project management and design, strategic operational management, and corporate administrative services. The regional offices throughout the province provide construction, maintenance and operational services while the depots provide direct services such as snow clearing and road maintenance.

With over 1,850 staff located throughout the entire province, the Department of Transportation and Works has the largest number of employees within any government department. The Department operates seven regional offices plus 55 depots (32 year-round and 23 winter-only) located throughout the province.

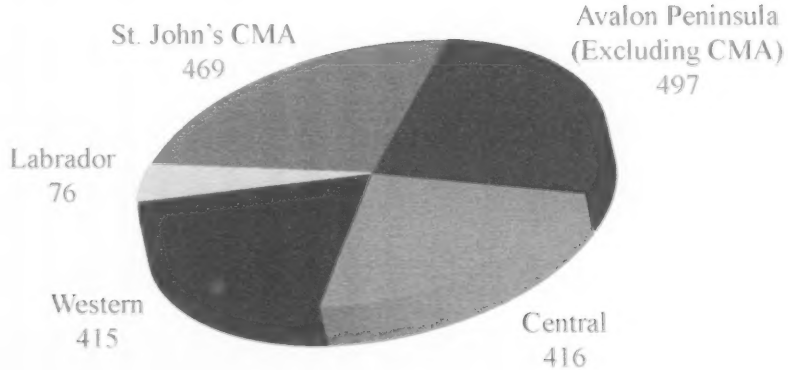
Snow School - Bay Roberts

Snow Clearing - Trans Labrador Highway

Employees as of March 31, 2009

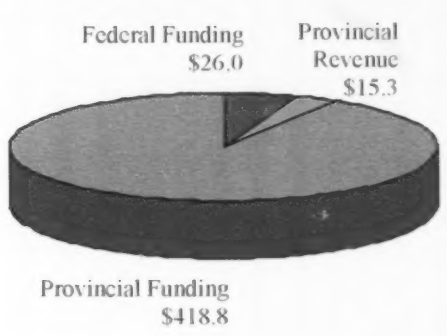
- 1,873 in total (1,656 male; 217 female)
- 1,020 permanent (871; 149)
- 537 temporary (483; 54)
- 316 seasonal (302; 14)

Transportation and Works Employees by Location



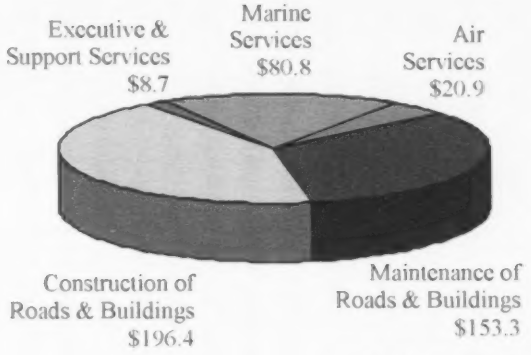
Revenues and Expenditures for 2008-09

Where the Money Comes From ($ Millions)
Revenues 2008-09



Total: $460.1 Million

Where the Money Was Spent ($ Millions)
Expenditures 2008-09



Total: $460.1 Million

Shared Commitments

A Commitment to the People of the Province

The Department of Transportation and Works is committed to providing the people of the province with a safe and reliable transportation system that contributes to their economic and social needs. It is through this commitment that we work with key stakeholders at the regional and community level, including municipalities, to determine how we can best meet their needs within our current fiscal realities. With sound infrastructure and fiscal management, we will be successful in sustaining our transportation and public works infrastructure for future generations.

Air Access

In keeping with the strategic directions of government concerning the possible development of international aviation linkages, the Department of Transportation and Works remains committed to working diligently on overcoming air access issues across the province. The Department commissioned a study with the purpose of identifying potential opportunities to encourage greater air transportation capacity and enhance levels of service for passengers and cargo to and from the province. As a result, a report titled *Setting Direction: Study of Air Transportation, Newfoundland and Labrador* was released and contained six recommendations that focused on the potential for increasing air transportation capacity based on the province's existing strengths in airport infrastructure, routes, and airline partnerships.

Currently under the lead of the Department of Business, the Provincial Government will continue to assess the recommendations put forward in the report. As part of this process, community, business, economic development, aviation industry and other stakeholders were invited to provide comments on the report and its recommendations to the Provincial Government.

Infrastructure Renewal

The Department of Transportation and Works also played a key role in Government's commitment to infrastructure renewal. In Budget 2008, the Provincial Government invested $673 million in infrastructure. In total, the Department of Transportation and Works received $375 million for transportation infrastructure improvements, public buildings and associated expenditures.

The Building Canada Plan, a cost-share agreement between Canada and Newfoundland and Labrador, provided over $50 million towards a number of highway infrastructure projects throughout the province. These cost-shared dollars were used for widening and hard-surfacing the Trans Labrador Highway as well as rehabilitation on several routes throughout the province. The $50 million consisted of the first two Provincial/Territorial Base Funding payments from the Government of Canada as part of the Building Canada Plan. The Provincial/Territorial Base Funding allocates $25 million annually for seven years, for a total of $175 million, for core infrastructure priorities identified by the Province.

The provincial ferry fleet also received a boost in infrastructure spending this past year with $9.8 million for annual refits of government-owned ferry vessels and $7.5 million for maintenance and capital construction of ferry terminals and wharves. These funds are in addition to the $33.9 million for construction of two new ferry vessels in this province.

Trans Labrador Highway

Highlights and Accomplishments

Over the past year, the Department of Transportation and Works has made considerable achievements in addition to the strategic issues outlined in later sections. These accomplishments assist the Department in effectively carrying out its mandate, as well as fulfilling its mission by 2011.

Road Safety Initiatives

This past year, the Department of Transportation and Works invested in several initiatives to improve road safety. These initiatives included approximately $2.5 million for line painting to improve visibility and $760,000 to repair rutting and median barriers on the Outer Ring Road in St. John's to help reduce cross-median collisions.

Additional investments in road safety included the installation of rumble strips along sections of the Trans Canada Highway and upgrades to the Province's Road Weather Information System. This past summer, the Department invested $250,000 for the installation of rumble strips on 250 kilometres of the Trans Canada Highway. Rumble strips are milled out sections of road, outside the white shoulder line, that alert inattentive drivers when they veer off the highway.

The Province also invested $465,000 for Road Weather Information System equipment to help monitor road conditions such as black ice. A Road Weather Information System is a tool used by winter maintenance crews that has censors embedded in the pavement to determine when roads become icy and pose a risk to public safety. A Road Weather Information System also collects weather condition information to allow officials to predict black ice and take a proactive approach to winter road safety. There are currently 18 Road Weather Information System sites across the province, 17 along the Trans Canada Highway and one located in Argentia.

In recognition of its dedication to road safety, Newfoundland and Labrador recently received an award by the American Association of Motor Vehicle Administrators for achieving the greatest reduction of highway fatalities in Canada in 2006. The national average for 2006 was a reduction of 1.9 percent whereas Newfoundland and Labrador witnessed a 12.3 percent reduction.

Occupational Health and Safety

The Department of Transportation and Works has committed its best efforts to ensuring the safety of its employees by placing emphasis on safe work practices, hazard reporting and the prevention of injuries and occupational illnesses. Safety is viewed as an integral component of work in the Department and greater responsibility and accountability is placed on each employee for safety performance.

Our continued efforts in the promotion of workplace safety have resulted in the development of an on-line database for safe work procedures. This past year, the Department moved forward with policies in the areas of high visibility personal protective equipment, scent awareness, electrical safety and hearing conservation. The Department has also maintained a focus on safety training for employees in all areas of workplace safety including transportation of dangerous goods, first aid, occupational health and safety committee, confined space, fall arrest, and many more.

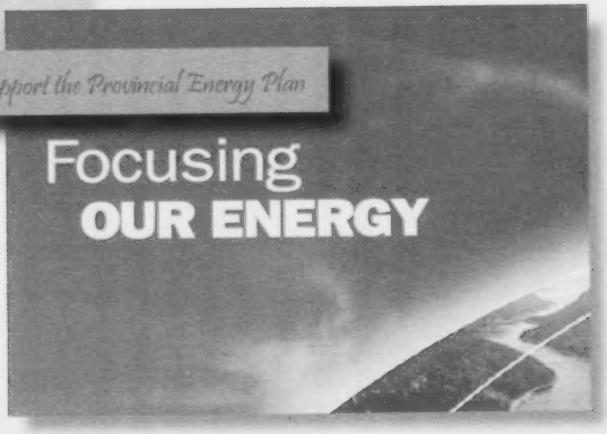
The Department's continued emphasis on the importance of safety practices in 2008-09 has resulted in a reduction in both the number of Occupational Health and Safety orders written to the Department as well as the duration of resolving these orders. More importantly, the Department has also witnessed a significant reduction in the number of workplace injuries.

Staff First-Aid Training

Outcomes of Objectives

In keeping with Government's strategic directions and the mandate and financial resources of the Department of Transportation and Works, the Department has worked toward addressing four key strategic issues over the past year:

- Improved highway system
- Improved marine services
- Improved government air services
- Support the Provincial Energy Plan



This past year has seen unprecedented investments in road construction, maintenance, rehabilitation and highway safety. The Department has implemented new technologies to better gauge road conditions in order to advise the public of potential hazards as well as prioritize road and bridge projects. Funding this past year for maintenance and construction projects, including the Provincial Roads Improvement Program, has reached an all time high and has further improved the condition and safety of our road transportation network. Furthermore, Government's continued commitment to snowplow replacement, valued at $50 million over 5 years, and the new 24-hour snow clearing pilot project, made winter driving safer for Newfoundlanders and Labradorians. The following goal supports the strategic directions of government by contributing to the improvement of transportation infrastructure and services in the province.

GOAL

By March 31, 2011 Transportation and Works will have improved the condition and maintenance of the province's roads and bridges.

2008-09 OBJECTIVE

By March 31, 2009 Transportation and Works will have advanced monitoring and investment in highway transportation.

Measure: Advanced monitoring and investment

Indicators:

- System in place to collect road condition information on the Trans Canada Highway
- Investments made in maintenance and construction projects
- New snow-clearing equipment purchased
- 24-hr snow-clearing pilot project implemented in high traffic areas
- Construction contracts issued on the Happy Valley-Goose Bay and Cartwright segments of Phase III of the Trans Labrador Highway
- Contracts issued for widening and paving of Phase I of Trans Labrador Highway

2008-09 Results

- Using the newly acquired ARAN (Automated Road Analyzer) vehicle, the Department collected road condition information throughout the summer of 2008 on the Trans Canada Highway. The data collected was also used to prioritize rut repair projects along the Trans Canada Highway and major trunk roads.
- The Department increased investments in both road and bridge construction and road and equipment maintenance in 2008-09. Expenditures in road and bridge construction exceeded $175 million in 2008-09, which represents a $50 million increase from the previous year. The Department's expenditures on road and equipment maintenance increased from $101 million in 2007-08 to $106 million in 2008-09.
- Compared to last year, the Department purchased eight more pieces of heavy snow-clearing equipment for a total of 61 pieces in 2008-09. These purchases included 32 trucks and 29 other pieces of heavy equipment.
- In December 2008, the Province invested $1.7 million to launch the 24-hour snow-clearing pilot project in high-traffic areas of the Trans Canada Highway and major trunk roads.
- Construction contracts were issued in April 2008 for the Happy Valley-Goose Bay and Cartwright segments of Phase III of the Trans Labrador Highway. A total of 238 kilometres was completed by the end of the 2008-09 construction season.
- The Department posted tenders in March 2008 for widening and paving projects along Phase 1 of the Trans Labrador Highway. The tenders closed in April 2008 and contracts were awarded shortly thereafter. A total of 222 kilometres was widened and six kilometres surfaced by the end of the 2008-09 construction season.

Discussion of Results

In October 2008 the Department launched its 24-hour snow-clearing pilot project, which resulted in 24-hour snow-clearing being provided on sections of the Trans Canada Highway. The Provincial Government invested $1.7 million to launch the pilot project, which provided 24-hour snow-clearing in high-traffic areas of the Trans Canada Highway and major trunk roads on Sundays through Thursdays from December 1 to March 31. The pilot project is a two-year project with an evaluation occurring after both the first and second years, allowing the Department to determine the effectiveness, necessity and long-term sustainability of 24-hour snow-clearing.

Two consulting firms, AMEC and Hatch Mott MacDonald, were appointed in early May to provide contract administration and quality control for the projects in Phase I of the Trans Labrador Highway. In April 2008, the Department awarded two contracts valued at $17 million for construction of the Otter Brook and Travespine River bridges. A contract was also awarded in May for grading 33 kilometres on the Cartwright end of the highway and to surface 30 kilometres near Happy Valley-Goose Bay.

Automated Road Analyzer (ARAN)

Snow Clearing on Trans Labrador Highway

Improved Marine Services

2008-09 was also a big year for marine services in Newfoundland and Labrador. The Department of Transportation and Works remained committed to having our new ferry vessels constructed within the province by Newfoundlanders and Labradorians. After experiencing some delays in making this a reality, we were successful in securing a contract for two new medium-sized vessels. This past year, the Department also focused on improving client services. Our new Marine Services Transportation Branch established a dedicated 1-888 line for marine service inquires, created an online program for people to calculate the cost of shipping goods via Labrador Marine, and implemented a new debit/credit system at the Portugal Cove and Fogo Island ferry terminals for ticket purchases. The following goal supports the strategic directions of government by contributing to the improvement of transportation infrastructure and services in the Province.

GOAL

By March 31, 2011 Transportation and Works will have improved marine services within the province.

2008-09 OBJECTIVE

By March 31, 2009 Transportation and Works will have implemented initiatives related to vessel replacement and maintenance.

Measure: Initiatives implemented

Indicators:

- Construction commenced on first two new ferries
- Expression of Interest issued for preliminary design of large ferry vessel
- Contract awarded for the acquisition of a planned maintenance program
- Safety management plan progressed
- Plan for the long-term configuration of Labrador marine services developed

2008-09 Results

- While the construction of the first two new medium-sized vessels was delayed slightly due to ongoing contract negotiations with Peter Kiewit and Sons in Marystown, the stern thrusters and engines for these two vessels were ordered well in advance to ensure that there were no delays due to the long turn-around time in the market required to purchase these critical components. In addition, the Department placed orders for the stern thrusters and engines for the third medium-sized vessel in Fall 2008 in order to ensure timely delivery of these components.
- Contract negotiations with Peter Kiewit and Sons took slightly longer than anticipated but the Department was committed to ensuring that the vessels were built right here in Newfoundland and Labrador. We are happy to say that we reached a successful agreement with them on March 5, 2009 and they began acquisition of all the components immediately thereafter with construction commencing in July.
- Once negotiations were completed with Peter Kiewit and Sons for the first two new ferries the Department once again focused its efforts on the preliminary design of the larger ferry, resulting in the issuance of an Expression of Interest on May 1, 2009.
- With respect to the long-term configuration of the Labrador marine services, the Department has decided to extend the current configuration into the 2010 season to allow for a smooth transition of the opening of Phase III of the Trans Labrador Highway.
- The Department worked closely with the Office of the Chief Information Officer for the acquisition of a planned maintenance program. The process of finalizing the Request for Proposals was lengthier than anticipated resulting in a delay in issuing the Request for Proposals. The Office of the Chief Information Officer has since issued the Request for Proposals, which closed at the end of June 2009.
- Substantial progress has been made in developing a new safety management plan. Volume I of the plan, the fleet-wide safety manual, is completed and efforts in 2009-10 will focus on training staff on Volume I as well as the development of Volume II, which will contain vessel specific safety plans.

Discussion of Results

The Department of Transportation and Works has been successful in securing a $50.5 million contract for two medium-sized vessels to service St. Brendan's and the Long Island-Little Bay Islands services. The contract was signed with Peter Kiewit and Sons of Marystown on March 5, 2009 and will result in these vessels being built right here in Newfoundland and Labrador. The vessels will be 42 metres long and will be able to carry 16 cars and 80 passengers. By keeping the work within the Province, the contract is expected to create approximately 300,000 person hours of employment.

While the construction of the first two new medium-sized vessels was delayed slightly due to ongoing contract negotiations with Peter Kiewit and Sons of Marystown, the contract was signed in March and construction commenced in July. Construction of the first vessel is scheduled to be completed in July 2010 with the second following shortly thereafter in October 2010.

As the ongoing negotiations for the first two vessels were the Department's priority, the Expression of Interest for the preliminary design of the larger ferry was not issued until May 1, 2009. The preliminary design process is expected to take approximately one year. This larger vessel will replace the MV Captain Earl W. Winsor on the Fogo Island-Change Islands Service. The new large vessel will be a roll-on/roll-off vessel capable of carrying 60 cars and 200 passengers and will have a lounge and cafeteria. All of our new vessels will also be more environmentally friendly with lower emissions. With respect to the configuration (including vessels and routing) of the Labrador marine services; as noted above, the current configuration will continue until the end of the 2010 season. The long-term configuration of the Labrador marine services will be determined once Phase III of the Trans Labrador Highway opens.

Improved Government Air Services

While the provincial government does not play a direct role in commercial air services or airports throughout the province, it does operate and maintain the provincial air ambulance and water bomber services. In addition, the Department of Transportation and Works is responsible for provincial airstrips including coastal Labrador airstrips, which provides the only access to many communities in the winter months. Government air services have seen a number of major improvements this past year with the purchase of a new air ambulance and the completion of Phase I of a safety management system for both our airstrips and aircraft. The following goal supports the strategic directions of government by contributing to the improvement of transportation infrastructure and services in the province.

GOAL

By March 31, 2011 Transportation and Works will have enhanced its government air services.

2008-09 OBJECTIVE

By March 31, 2009 Transportation and Works will have purchased a new air ambulance and have commenced its safety management and planning processes.

Measure: New air ambulance purchased; safety management and planning process commenced

Indicators:

- New air ambulance purchased
- Negotiations advanced for acquisition of new water bombers
- Phase I of safety management systems for airstrip and aircraft operations implemented
- Commenced development of plan for coastal Labrador airstrips

2008-09 Results

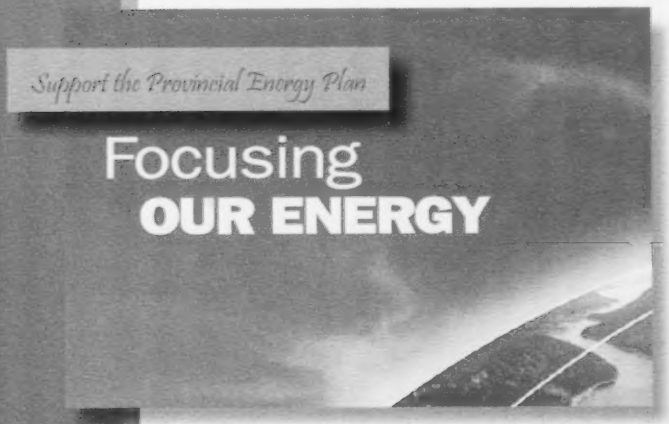
- The Department purchased a new air ambulance in June 2008 and the aircraft arrived in the province in December and began service in the Labrador-Grenfell Health Authority Region.
- Negotiations continued with Bombardier throughout 2008-09 for the purchase of new water bombers.
- The Department formed an agreement with Pryde Schropp McComb Inc. in March 2008 to develop and implement Phase I of a safety management systems program for provincial airstrip operations. The Department also awarded a contract to Quality Matters in July 2008 to implement Phase I for provincial aircraft operations. Phase I of both systems has been implemented as per Transport Canada's requirements.
- The Department developed a new five-year Coastal Labrador Airstrip Plan and is in the final stages of negotiating the plan with the Government of Canada for implementation.

Discussion of Results

The Provincial Government invested $7.8 million into a new air ambulance for Newfoundland and Labrador in February. The new Beechcraft King Air 350 serves a critical role in responding to health emergencies across the province. The new air ambulance is equipped to carry two stretchers, medical equipment and supplies, along with four medically trained personnel and two pilots. The aircraft, which arrived in the province in December, is stationed in St. Anthony and is servicing the Labrador-Grenfell Health Authority Region.

The Department continues to negotiate with Bombardier for the purchase of new water bombers. Government is still interested in the purchase of new water bombers but the initial purchase terms were not acceptable as they did not adequately protect investments against potential losses in the existing economic climate. In the meantime, the Department is confident in its ability to provide forest fire suppression coverage with the existing fleet for the next few years and will continue to explore options for replacement of the fleet on a timely and cost-efficient basis.

Air Ambulance



In September 2007, the province released its *Provincial Energy Plan - Focusing Our Energy* to guide the energy policy of the Province in the coming years. *The Provincial Energy Plan* contains a number of initiatives targeted at conservation and efficiencies, including targets for government buildings and vehicles. This past year the Department implemented numerous initiatives to increase energy efficiency in new government buildings and major renovations. The Department also successfully introduced fuel efficiency standards for purchases of new light vehicles and purchased hybrid vehicles where feasible. The following goal supports the strategic directions of government by contributing to government's environmental stewardship.

GOAL

By March 31, 2011 Transportation and Works will have more environmentally friendly government buildings, light vehicles and operating practices.

2008-09 OBJECTIVE

By March 31, 2009 Transportation and Works will have specifications and procedures in place to support the *Provincial Energy Plan*.

Measure: Policies and procedures in place

Indicators:

- Improved energy performance assessment models implemented for new buildings and major renovations
- Five-year energy management plan for existing government-owned buildings developed
- Acquisition of energy efficient cars and SUVs commenced and a monitoring system in place to measure compliance with *Provincial Energy Plan* directives

2008-09 Results

- In previous years, the Department designed new buildings to meet the model energy code by 25 percent. Recently, we have introduced energy simulation models for all major new projects in conjunction with an integrated design process. Predicted energy performance on major projects is now between 30 to 50 percent better than the model energy code. Recent designs completed in 2008-09 include the Torbay Elementary School, with a predicted energy improvement of 50 percent, and the Port Saunders School with a predicted 20 percent energy improvement.

- Five-year energy plan for existing buildings has been incorporated into Government's 5-year fiscal framework, with $1 million allocated annually for energy efficiency improvements to existing government-owned buildings.
- Energy consumption tracking software has been purchased and the data collected will be used to determine key priorities for energy efficiency improvements, resulting in more environmentally friendly government buildings.
- Of the 32 hybrid eligible vehicles purchased in 2008-09, 16 were hybrids. The Department also updated its Equipment Management System to track fuel consumption and hybrid vehicle purchases in November 2008.

Discussion of Results

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

LEED is a third-party certification program and an internationally accepted benchmark for the design, construction and operation of high performance green buildings. It provides building owners and operators with the tools they need to have an immediate and measurable impact on their buildings' performance.

LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water efficiency, energy efficiency, materials selection, and indoor environmental quality.

Credits and prerequisites are organized into these five categories. An additional category, innovation and design process, addresses sustainable building expertise as well as design measures not covered under these five environmental categories.

The Department of Transportation and Works has established a process whereby energy simulation models are run on designs for all new public sector buildings and major renovations. The process establishes the energy savings per design relative to the model National Energy Code and greenhouse gas reduction to ensure that they are exceeding the model code by 25 percent or more. Public buildings designed and built today under the Department's direction are expected to outperform minimum code and exhibit such performance indicators as having the following benefits over conventional building designs:

- At least a 30 percent reduction in water consumption,
- At least 15 percent recyclable content used in construction materials,
- At least a 25 percent reduction in energy usage in our lighting systems, and
- At least 30 percent reduction in overall energy consumption below that of standard electrical heating and cooling systems.

In addition, buildings that include earth energy systems (for example geothermal heat pumps) are expected to have a total energy consumption of over 50 percent less than standard electrical heating and cooling systems.

The Department has also made significant steps towards greater fuel efficiency in government's light vehicle fleet. This past year the Department purchased 16 hybrids, nine cars and seven SUVs on behalf of all of Government. In total, the Department has purchased 23 hybrids for Government's light vehicle fleet since the Provincial Energy Plan was released in 2007. The Department has also integrated fuel consumption ratings, from the Natural Resources Energy Guide, into all tender evaluations for any new light vehicle purchase.

Opportunities and Challenges Ahead

Provincial Infrastructure Strategy

On February 18, 2009 our Government announced that in order to stimulate economic activity in the face of the global economic downturn, we would be making a record $800 million investment in infrastructure in 2009-10 and an investment in excess of $4 billion over the next several years. The $800 million the Provincial Government will spend on infrastructure in 2009-10 represents a jump of $285 million; well over 50 percent more than in 2008-09. This investment will see significant projects taking place in every region of the Province and create jobs for our people. Provincial infrastructure projects totaling $1.6 billion will be tendered in 2009-10, creating an estimated 15,000 jobs (some seasonal) and providing significant economic stimulus to the economy of Newfoundland and Labrador.

New Torbay Elementary School

Our Province is already beginning to see the benefits of this significant investment in economic stimulus, as contracts for projects totaling approximately $400 million have already been awarded or gone to public tender, with the remaining 2009-10 projects expected to be tendered by Fall 2009. In addition, we expect a further $800 million worth of projects, slated to commence in 2010-11, to be tendered in 2009-10. The Provincial Government will fund 85 percent (or $1.3 billion) of the $1.6 billion total, supplemented by contributions from federal and municipal governments.

We have been proactive and our sound strategic planning has allowed us to move forward with a series of significant projects very smoothly. We are issuing and awarding our tenders earlier than ever before and we plan to maintain this aggressive tender schedule as long as the commodity and labour prices hold and the industry has the capacity to do the work.

What most people may not be aware of is the fact that that Department of Transportation and Works is responsible for a large majority of these projects; including not only transportation infrastructure (roads, ferries and wharfs) but also the design and construction phases of all public buildings including hospitals, schools, college campuses, and courthouses to name a few.

The Tendering and Contracts Division of the Department has been busy overseeing all of the tenders for the infrastructure work announced. As of September 26, 2009 the Department had issued over 800 tenders for 2009-10 on behalf of Government departments and agencies. This is up substantially from a total of 303 during the same time period in 2008-09 and includes such things as: water and sewer projects; regional landfill site development; construction and renovation of public buildings - including hospitals, schools, college campuses, courthouses, and recreation facilities; construction and rehabilitation of roads, bridges and transportation depots; environmental remediation projects; and construction and maintenance of provincial ferries and wharfs. In addition to these infrastructure projects, the Department is also responsible for issuing the tenders for leases for office space on behalf of Government departments and service contacts for public buildings.

This is definitely a busy year ahead for our Department and we look forward to great partnerships with industry stakeholders over the coming years as we move forward with our aggressive Infrastructure Strategy for the Province.

Ferry Rendition

Parking Garage - Health Sciences Centre

Building the Way

While the Province's Infrastructure Strategy includes a record numbers of projects, it also includes a number of 'mega' projects. Four projects alone; including the St. John's Long Term Health Care Facilities, Corner Brook Hospital, Labrador West Health Care Centre and St. John's RNC Campus Re-development; have a total combined project value of over a half billion dollars. The Department has put in place Executive Level Steering Committees for these major projects to ensure they receive the greatest oversight. With the recent increase in major projects, including such additional work as the new parking garage for the Health Sciences Complex, there is a recognized need to enhance the Department's project management efforts. To achieve this, the Department will utilize Special Project Directorates with a combination of internal and external expertise. Additionally, the Department is expanding its use of a broad range of project delivery mechanisms ranging from conventional design-bid-build approaches to emerging design-build approaches. These approaches will be considered in view of providing both the most effective and efficient delivery of projects and the best value for public funds. The Department is working closely with industry stakeholders, such as the Newfoundland and Labrador Construction Association, as it advances this ambitious agenda.

Parking Garage - Health Sciences Centre

The Plan Ahead

GOAL

By March 31, 2011 Transportation and Works will have improved the condition and maintenance of the province's roads and bridges.

2009-10 OBJECTIVE

By March 31, 2010 Transportation and Works will have expanded its monitoring efforts and continued to invest in highway transportation.

Measure: Increased monitoring and investment

Indicators:

- Phase III of the Trans Labrador Highway completed
- Widening and paving of Phase I of the Trans Labrador Highway continued
- Investments in road maintnance and construction projects continued
- Snow-clearing equipment improvements implemented
- 24-hour snow-clearing pilot project evaluated and year two implemented
- Road condition monitoring and data collection expanded

Improved Marine Services

GOAL

By March 31, 2011 Transportation and Works will have improved marine services within the province.

2009-10 OBJECTIVE

By March 31, 2010 Transportation and Works will have substantially completed construction of the first two ferries and further implemented initiatives related to vessel replacement and maintenance.

Measure: Advancements made on new ferries and program and planning initiatives

Indicators:

- Construction on first two new medium-sized ferries advanced
- Decision on the construction of a third new medium-sized ferry finalized
- Contract for the preliminary design of large ferry vessel awarded
- Planned maintenance program implemented
- Safety management plan progressed
- Plan for the long-term configuration of Labrador marine services developed

Improved Government Air Services

GOAL

By March 31, 2011 Transportation and Works will have enhanced its government air services.

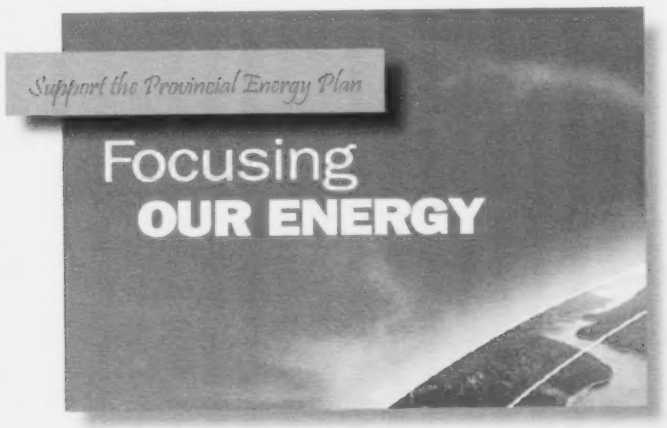
2009-10 OBJECTIVE

By March 31, 2010 Transportation and Works will have one new water bomber in operation and commenced the next phase of its safety management and planning processes.

Measure: Plan in place for water bombing services and safety management systems advanced

Indicators:

- Plan for long-term sustainability of the Province's water bombing services developed
- Phase II of safety management systems for airstrip and aircraft operations implemented



GOAL

By March 31, 2011 Transportation and Works will have more environmentally friendly government buildings, light vehicles and operating practices.

2009-10 OBJECTIVE

By March 31, 2010 Transportation and Works will have commenced implementation of specifications and procedures in support of the *Provincial Energy Plan*.

Measure: Policies and procedures implemented

Indicators:

- Use of energy performance assessment models for new buildings and major renovations continued
- Measurement and verification programs for energy performance in new government buildings implemented
- Purchase of energy efficient cars and SUVs and monitoring of efficiency ratings of new vehicle purchases continued

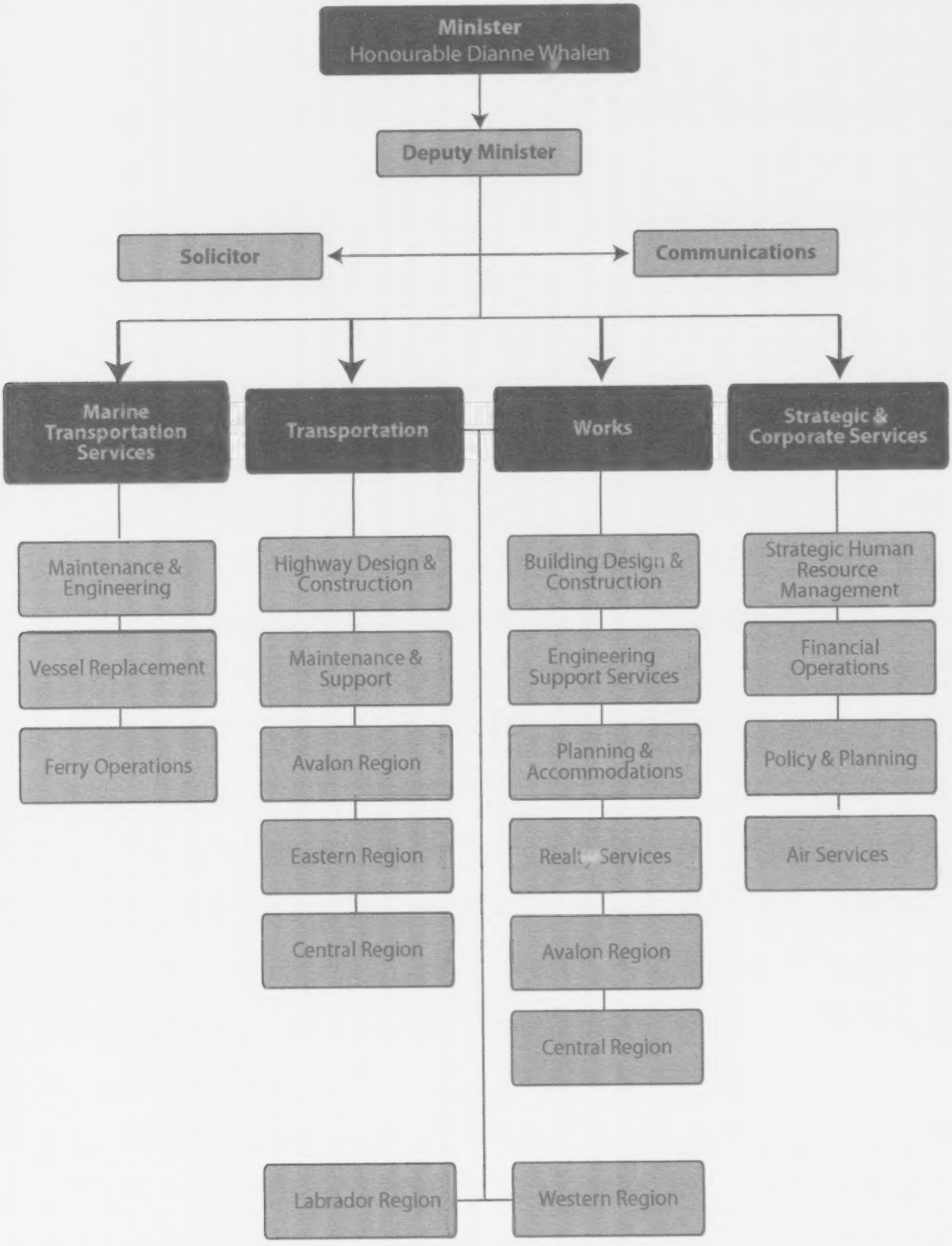
Statement of Expenditures and Revenues

Summary of Expenditure and Related Revenue (un-audited)
For the year ending March 31, 2009

		Estimates	
	Actual	Amended	Original
Executive and Support Services			
Minister's Office	$230,173	$274,200	$257,500
General Administration	$8,456,187	$9,243,500	$8,800,000
Less Revenue	($832,241)	($500,000)	($500,000)
Maintenance of Roads and Buildings			
Road Maintenance	$68,980,544	$69,852,400	$67,401,200
Less Revenue	($3,218,008)	($2,897,000)	($2,897,000)
Building Maintenance Operations and Accommodations	$46,521,693	$47,367,600	$45,604,100
Less Revenue	($725,760)	($958,600)	($958,600)
Equipment Maintenance	$37,849,030	$38,545,300	$34,106,000
Less Revenue	($155,045)	($475,000)	($475,000)
Construction of Roads and Buildings			
Administration and Support	$4,270,919	$4,421,000	$2,993,200
Road Construction	$175,229,711	$196,844,300	$197,920,500
Less Revenue	($25,013,420)	($44,100,000)	($44,100,000)
Building Construction	$16,880,820	$19,225,000	$19,100,000
Less Revenue	($112,461)	($75,000)	($75,000)
Transportation Services			
Air Support	$1,780,745	$2,724,700	$2,588,600
Less Revenue	($821,238)	($1,450,000)	($1,450,000)
Marine Operations	$80,779,494	$96,761,200	$100,233,900
Less Revenue	($7,758,027)	($4,873,000)	($4,873,000)
Air Services	$19,133,118	$49,765,100	$49,379,400
Less Revenue	($2,639,607)	($3,030,000)	($3,030,000)
Total Expenditure	**$460,112,434**	**$535,024,300**	**$528,384,400**
Total Related Revenue	($41,275,807)	($58,358,600)	($58,358,600)

Note: Expenditure and revenue figures included in this document are un-audited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2009. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process, however the Department of Transportation and Works is not required to provide a separate audited financial statement.

Appendix A: Organizatonal Chart



Appendix B: Contact Information

Corporate Headquarters

Department of Transportation and Works
West Block, Confederation Complex
P.O. Box 8700
St. John's, NL A1B 4J6
Phone: 709-729-2300
Fax: 709-729-4658

E-Mail: tw@gov.nl.ca
twhighways@gov.nl.ca
Website: www.tw.gov.nl.ca

Marine Transportation Services
Department of Transportation and Works
1 Fairview Street
P.O. Box 97
Lewisporte, NL A0G 3A0
Phone: 709-535-6201
Fax: 709-535-6245

Public Information Officer: 1-888-638-5454
E-Mail: twmarine@gov.nl.ca

Avalon Region (Works)
West Block, Confederation Complex
P.O. Box 8700
St. John's, NL A1B 4J6
Phone: 709-729-3362
Fax: 709-729-0036

Avalon Region (Transportation)
White Hills
P.O. Box 21301
St. John's, NL A1A 5G6
Phone: 709-729-2382
Fax: 709-729-0219

Central Region (Works)
McCurdy Complex
P.O. Box 2222
Gander, NL A1V 2N9
Phone: 709-256-1000
Fax: 709-256-1013

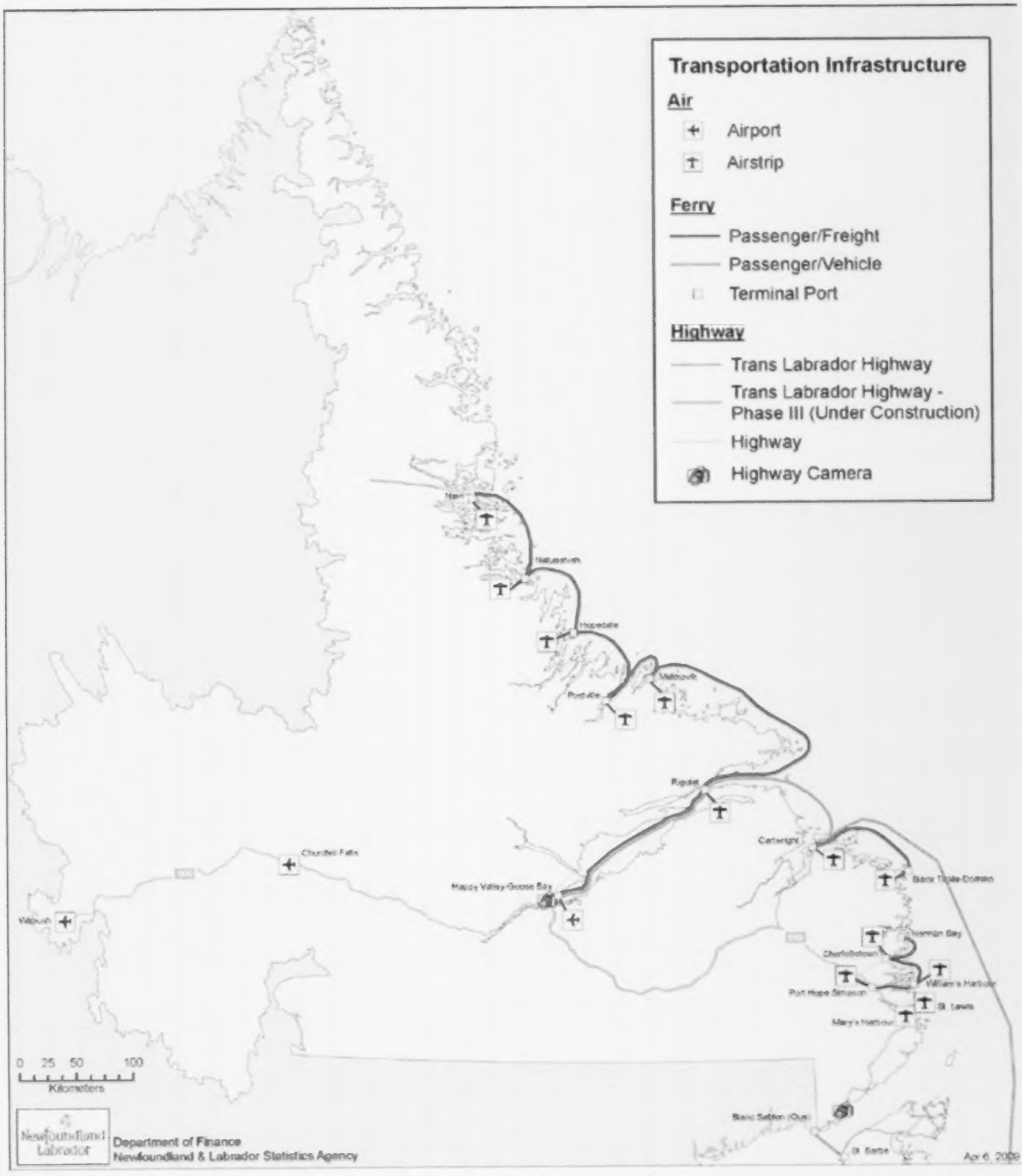
Eastern Region (Transportation)
P.O. Box 70, 3 Duffitt Place
Clarenville, NL A5A 1E9
Phone: 709-466-4120
Fax: 709-466-3927

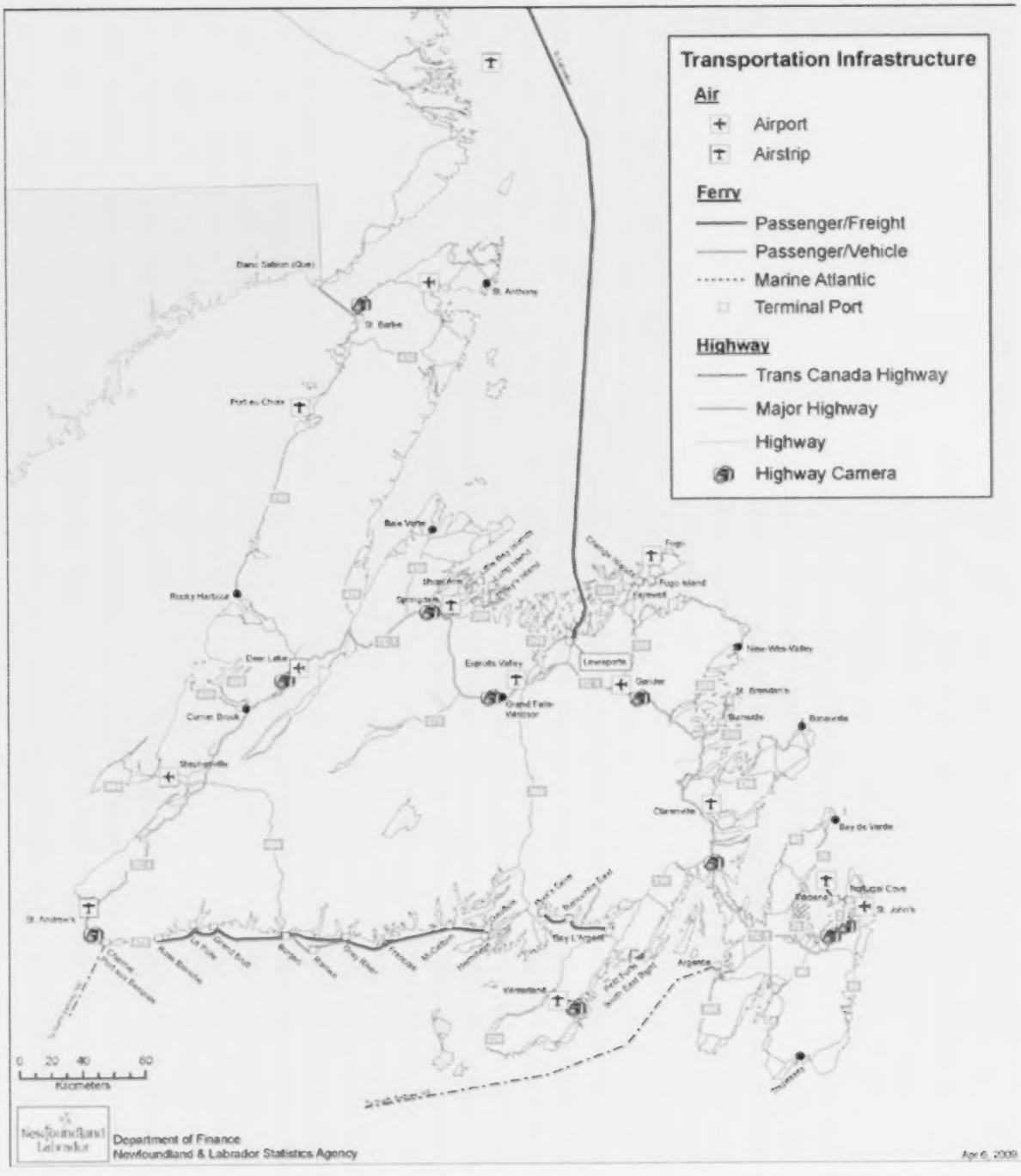
Central Region (Transportation)
Transportation Depot
P.O. Box 10, Duggan Street
Grand Falls-Windsor, NL A2A 2J3
Phone: 709-292-4300
Fax: 709-292-4364

Western Region (Transportation & Works)
Sir Richard Squires Building
P.O. Box 2006, Mt. Bernard Avenue
Corner Brook, NL A4H 6J8
Phone: 709-637-2532
Fax: 709-637-2549

Labrador Region (Transportation & Works)
P.O. Box 3014, Stn "B"
Happy Valley-Goose Bay, Labrador A0P 1E0
Phone: 709-896-7840
Fax: 709-896-5513

Appendix C: Provincial Transportation System




Transportation Infrastructure
Air
Airport
Airstrip
Ferry
Passenger/Freight
Passenger/Vehicle
Marine Atlantic
Terminal Port
Highway
Trans Canada Highway
Major Highway
Highway
Highway Camera
Blanc Sablon (Que)
St. Anthony
St. Barbe
Port au Choix
Rocky Harbour
Deer Lake
Corner Brook
Stephenville
St. Andrew's
Bay St. George
Port aux Basques
Gros Morne
La Poile
Grand Brook
Burgeo
Ingornachoix
Grey River
Pinsents
McCallum
Hermitage
Gaultois
Fortune
Harbour Breton
Grand Bank
Burin
Marystown
Burin Peninsula East
Bay L'Argent
Argentia
Placentia
Arnold's Cove
Whitbourne
Clarenville
Bonavista
Burnside
St. Brendan's
New Wes Valley
Gander
Lewisporte
Exploits Valley
Grand Falls-Windsor
Springdale
Shoal Arm
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Farewell
Change Islands
0 20 40 60
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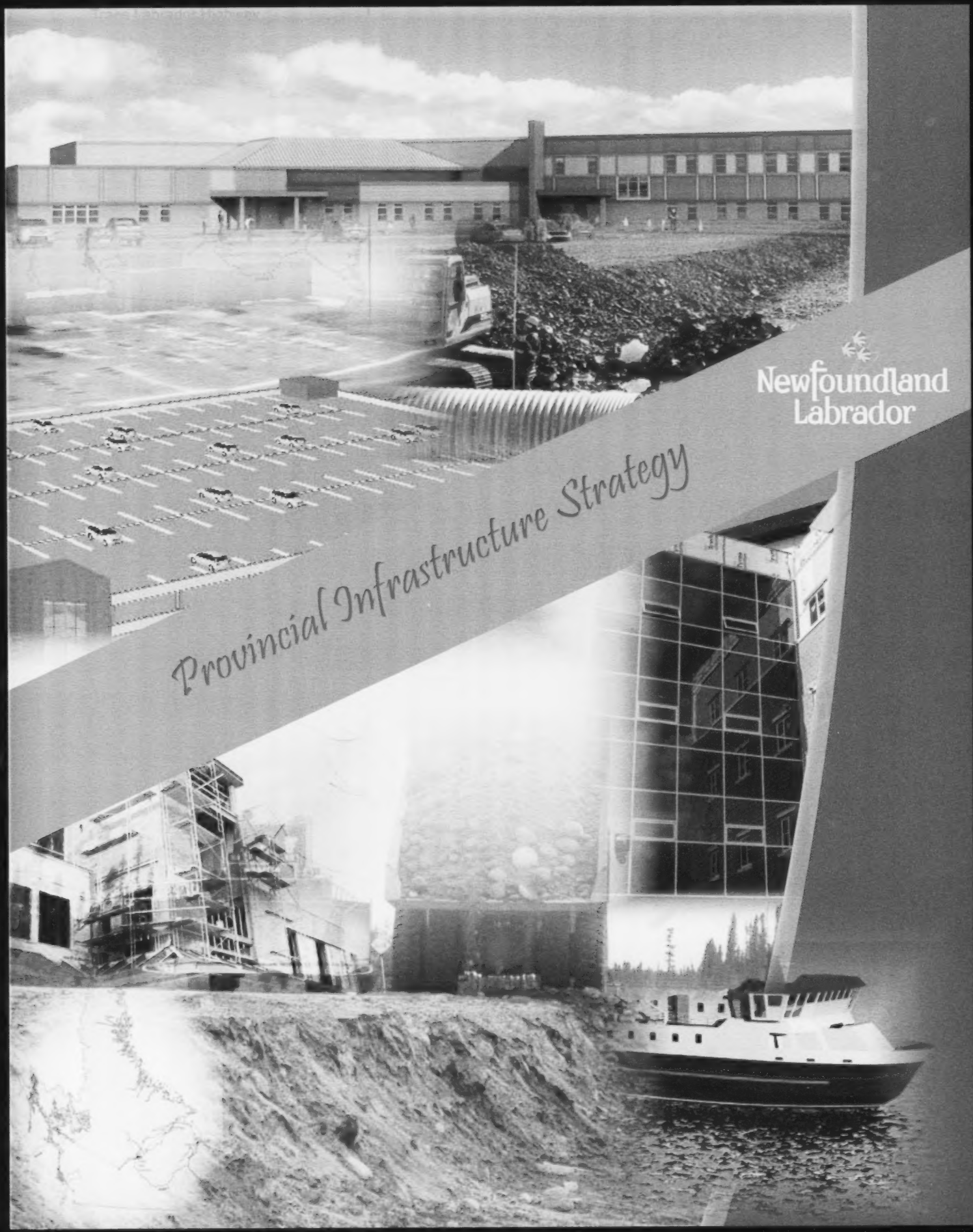
Department of Finance
Newfoundland & Labrador Statistics Agency
Apr 6, 2009


Newfoundland
Labrador
Provincial Infrastructure Strategy